

ELECTRONIC AUCTION METHOD AND SYSTEM FOR GENERATING  
OFF-INCREMENT PROXY BIDS

An electronic auction method and system are disclosed for generating off-increment proxy bids. A minimum increment is specified for bidding on an item. A bid for the item is received from a first bidder which is currently a high bid for the item. A previously recorded proxy bid is received from a second bidder which is greater than the current high bid and not greater than the high bid plus the minimum increment. An off-increment bid is generated which does not increase the bid received from the first bidder by the increment and also does not exceed the proxy bid. The off-increment bid becomes a high bid for the item utilizing the proxy bid. The second bidder thus holds a current high bid for the item.